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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-78459; File No. SR-BatsEDGA-2016-17]

Self-Regulatory Organizations; Bats EDGA Exchange, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change to Reflect the Dissolution of One of the Exchange's Intermediate Holding Companies, Direct Edge Holdings LLC

August 2, 2016.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the “Act”),¹ and Rule 19b-4 thereunder,² notice is hereby given that on July 25, 2016, Bats EDGA Exchange, Inc. (the “Exchange” or “EDGA”) filed with the Securities and Exchange Commission (“Commission”) the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the Exchange. The Exchange has designated this proposal as a “non-controversial” proposed rule change pursuant to Section 19(b)(3)(A) of the Act³ and Rule 19b-4(f)(6)(iii) thereunder,⁴ which renders it effective upon filing with the Commission. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ 15 U.S.C. 78s(b)(3)(A).

⁴ 17 CFR 240.19b-4(f)(6)(iii).

The Exchange filed a proposal to reflect the dissolution of one of the Exchange's intermediate holding companies, Direct Edge Holdings LLC ("DEH"), on December 31, 2015, by: (i) amending the bylaws of the Exchange's ultimate parent company, Bats Global Markets, Inc. (the "Corporation"), to remove reference to DEH, as well as Bats Global Markets Holdings, an intermediate holding company wholly owned by the Corporation ("BGMH"), (ii) amending the bylaws of the Exchange to remove reference to DEH, (iii) deleting the DEH certificate of formation and operating agreement from the Exchange's rules, and (iv) amending the operating agreement of the Exchange's sole stockholder, Direct Edge LLC ("DE LLC"), to reflect that DE LLC's sole member is the Corporation rather than DEH and to make other related changes.

The text of the proposed rule change is available at the Exchange's website at www.batstrading.com, at the principal office of the Exchange, and at the Commission's Public Reference Room.

II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the Exchange included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The Exchange has prepared summaries, set forth in Sections A, B, and C below, of the most significant parts of such statements.

(A) Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

1. Purpose

On December 17, 2015, DEH filed a certificate of cancellation with the State of Delaware, effective December 31, 2015. As a result, DEH was dissolved, its affairs wound up, and its certificate of formation and operating agreement were cancelled, each effective December

31, 2015. In connection with DEH's dissolution, the Corporation proposes to amend its bylaws on-file with the Commission to remove reference to DEH because the entity no longer exists. The Exchange also proposes to remove reference to BGMH because inclusion of the reference to BGMH is unnecessary. Specifically, the applicable provision relates to any entity in which the Corporation holds an interest and the text the Exchange proposes to eliminate is a parenthetical that was intended to provide examples, not an exhaustive list, of such entities.

Similarly, the Exchange intends to amend its bylaws to remove reference to DEH. Specifically, the Exchange proposes to remove references to DEH contained in Article XI, Section 2 of the bylaws, which prohibits members of the boards of affiliated entities from attending meetings related to the self-regulatory function of the Exchange.

Because DEH has been dissolved, the Exchange also proposes to delete the DEH certificate of formation and operating agreement from the Exchange's rules. Though the DEH certificate of formation did not have any information pertinent to the Exchange, the Exchange notes that the DEH operating agreement did contain certain provisions applicable to the Exchange's status as a self-regulatory organization. For example, Article X, Section 1 provided that DEH would not interfere with the Exchange's responsibilities under the Act and Article X, Section 2 provided that DEH would cooperate with the Exchange in furtherance of such responsibilities. These provisions and the others in the operating agreement of DEH related to the Exchange were designed to impose restrictions upon DEH for so long as DEH indirectly owned the Exchange or were intended to require cooperation by DEH to ensure that the Exchange could meet its regulatory obligations. Thus, while the dissolution of DEH and the proposed elimination of the operating agreement does remove some provisions applicable to the Exchange, there is no impact on the Exchange. The Exchange notes that each one of these

provisions is duplicative of a provision included in the operating agreement of DE LLC. Also, the Exchange notes that the primary limitations upon the interference with the independence of the Exchange related to either ownership or governance are contained either in the organizational documents of Exchange or the Corporation, and not the organizational documents of any intermediate holding company.

Finally, DE LLC intends to amend and restate its operating agreement to reflect that DE LLC's sole member is the Corporation rather than DEH and include the contact information of the member. In connection with these changes, the Exchange also proposes to reflect the following changes to the operating agreement of DE LLC: (i) general language to reflect the amendment and restatement of the operating agreement; and (ii) restructuring of certain language related to DE LLC's formation. None of the proposed changes described above requires a filing with the State of Delaware.

The purpose of this rule filing is to amend the bylaws of the Corporation, the ultimate parent company of the Exchange, to amend the bylaws of the Exchange, and to amend and restate the operating agreement of DE LLC, the sole stockholder of the Exchange, each as described in this proposal.⁵ The purpose of the rule filing is also to remove reference to the DEH certificate of formation and operating agreement, as neither document is still operative. Thus, the changes described herein only relate to references contained in the bylaws of the Corporation and the Exchange as well as the operating agreement of DE LLC, and do not impact the governance of the Exchange. The Exchange will continue to be governed by its existing certificate of incorporation and bylaws, as amended by this proposal. The stock in, and voting

⁵ The Exchange notes that such changes have already been filed in connection with corporate documents on-file with the Secretary of State of Delaware.

power of, the Exchange will continue to be directly and solely held by DE LLC, and the governance of the Exchange will continue under its existing structure.

2. Statutory Basis

The Exchange believes that its proposal is consistent with the requirements of the Act and rules and regulations thereunder that are applicable to a national securities exchange, and, in particular, with the requirements of Section 6(b) of the Act.⁶ In particular, the proposal is consistent with Section 6(b)(1) of the Act, because it retains, without modification, the existing limitations on ownership and total voting power that currently exist and that are designed to prevent any stockholder from exercising undue control over the operation of the Exchange and to assure that the Exchange is able to carry out its regulatory obligations under the Act. Under the proposal, the Corporation is making certain administrative changes to the bylaws of the Corporation, the bylaws of the Exchange and the operating agreement of DE LLC. These changes, however, do not impact the governance of the Exchange nor do they modify the ownership of the Corporation.

(B) Self-Regulatory Organization's Statement on Burden on Competition

The Exchange does not believe that the proposed rule change imposes any burden on competition. As described above, the proposed rule change is simply to reflect the dissolution of DEH, including the deletion of the certificate of formation and operating agreement of DEH and all references to DEH in the governance documents of the Corporation, the Exchange, and DE LLC. The Exchange has also proposed to remove an unnecessary reference in the Corporation's bylaws to BGMH. The changes described in the proposal do not impact the governance of the Exchange nor do they modify the ownership of the Corporation.

⁶ 15 U.S.C. 78f(b).

(C) Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received from Members, Participants or Others

The Exchange has not solicited, and does not intend to solicit, comments on this proposed rule change. The Exchange has not received any written comments from members or other interested parties.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

Because the foregoing proposed rule change does not: (A) significantly affect the protection of investors or the public interest; (B) impose any significant burden on competition; and (C) by its terms, become operative for 30 days from the date on which it was filed or such shorter time as the Commission may designate it has become effective pursuant to Section 19(b)(3)(A) of the Act⁷ and paragraph (f)(6) of Rule 19b-4 thereunder,⁸ the Exchange has designated this rule filing as non-controversial. The Exchange has given the Commission written notice of its intent to file the proposed rule change, along with a brief description and text of the proposed rule change at least five business days prior to the date of filing of the proposed rule change, or such shorter time as designated by the Commission.

At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is: (1) necessary or appropriate in the public interest; (2) for the protection of investors; or (3) otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission shall institute proceedings to determine whether the proposed rule should be approved or disapproved.

⁷ 15 U.S.C. 78s(b)(3)(A).

⁸ 17 CFR 240.19b-4.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

Electronic Comments:

- Use the Commission's Internet comment form (<http://www.sec.gov/rules/sro.shtml>); or
- Send an e-mail to rule-comments@sec.gov. Please include File Number SR-BatsEDGA-2016-17 on the subject line.

Paper Comments:

- Send paper comments in triplicate to Secretary, Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549-1090.

All submissions should refer to File Number SR-BatsEDGA-2016-17. This file number should be included on the subject line if e-mail is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's Internet website (<http://www.sec.gov/rules/sro.shtml>). Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for website viewing and printing in the Commission's Public Reference Room, 100 F Street, NE, Washington, DC 20549, on official business days between the hours of 10:00 a.m. and 3:00 p.m. Copies of such filing will also be available for inspection and copying at the principal office of the Exchange. All comments received will be posted without change; the Commission does not

edit personal identifying information from submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR-BatsEDGA-2016-17 and should be submitted on or before [INSERT DATE 21 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER].

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.⁹

Robert W. Errett,
Deputy Secretary.

⁹ 17 CFR 200.30-3(a)(12).

